

NATIONAL DAIRY MARKET AT A GLANCE

At the Chicago Mercantile Exchange (CME), Grade AA increased 8 cents to \$1.3700, Grade A increased 8 cents to \$1.2900, and Grade B increased 8 cents to \$1.2900. Also at the CME, barrel cheese increased 3/4 of a cent to \$1.3625 and 40# blocks increased 1/2 cent to \$1.3975.

According to NASS, milk production in the 20 major states during September totaled 10.8 billion pounds, up 2.9% from production in these same states in September 1996. August revised production, at 11.2 billion pounds, was up 4.1% from August 1996. Production per cow averaged 1,390 pounds for September, 48 pounds (3.6%) above September 1996. The number of cows on farms was 7.74 million head, 54,000 head (0.7%) below September 1996 and 3,000 below August 1997. Wisconsin accounted for 45,000 head (83%) of this year to year decline. The July-September quarterly production of milk for the U.S. was 39.0 billion pounds, up 3.5% from the same period in 1996.

In July 1997, mailbox milk prices reported for selected Federal milk orders averaged \$11.71 per cwt., \$.18 less than the previous month. On a regional basis, the following are average prices and changes from the previous month: Northeast, \$11.81, down \$.09; Southeast, \$13.08, down \$.44; Midwest, \$11.64, down \$.17; and West, \$11.08, down \$.17. Compared to July 1996, mailbox milk prices, on average, decreased \$3.23 per cwt.

During August, sales of fluid milk products in comparable Federal milk order marketing areas and California were 0.5% above the previous year and 1.7% above July 1997 on an adjusted daily average basis. Sales of whole milk items were unchanged from the previous year while lowfat and skim milk items were 0.6% above the previous year. Total fluid milk sales were

lower in the Northeast, unchanged in the Southwest, and higher in all other regions.

According to the World Agricultural Supply and Demand Estimates report, only small revisions were made in the milk supply, use, and price forecasts this month.

Milk production ranges from steady to slightly lower in the Northeast, the upper Midwest, and parts of Southern California to steady to slightly higher in other regions. Fluid milk volumes are not as tight as past weeks. Imports of milk into the Southeast and Florida are lighter this week and shipping areas had more surplus milk to process. In some areas, poor quality feed is not only impacting milk volumes but solids content as well. Overall, bottled milk sales are fair. Demand for fluid cream is mixed.

The dry, dairy product markets are little changed from last week. The dry whey market remains very firm, but more contacts feel that "the edge" is coming off and prices, in this particular cycle, may be near a peak. Dry buttermilk prices are generally lower and demand is just fair. Nonfat dry milk sales are slow and not always keeping up with production. The lactose and WPC markets are basically steady.

During the period of October 13 - 18, CCC did not purchase any dairy products under the price support program, but they did receive cancellations for 391,211 pounds of previously offered Western NDM.

\*\*\*\*SPECIAL THIS ISSUE\*\*\*\*

DAIRY GRAPHS (PAGES 2 & 8)

JULY MAILBOX PRICES (PAGE 7)

SEPTEMBER MILK PRODUCTION (PAGE 9)

AUGUST MILK SALES HIGHLIGHTS (PAGE 10)

BUTTER MARKETS**CHICAGO WHOLESALE**

Dollars per pound, trucklot, bulk in fiber boxes, delivered metropolitan area, prices include CCC purchase price whenever bulk butter is moving to CCC from the Midwest area.

GRADE	OCTOBER 14	OCTOBER 16	OCTOBER 17
AA	\$1.2900 - 1.3000	\$1.2900 - 1.3000	\$1.2900 - 1.3000
A	\$1.2100 - 1.2200	\$1.2100 - 1.2200	\$1.2100 - 1.2200

( ) Change from previous price.

**BUTTER HIGHLIGHTS:** At the Chicago Mercantile Exchange in light trading, all grades of butter increased 8 cents: Grade AA is \$1.3700, Grade A is \$1.2900, and Grade B is \$1.2900. The butter market is firm. Fresh butter supplies are in tight balance in most areas of the country. Some producers are allocating contracts to keep customers semi-happy instead of cutting some off completely. New DEIP acceptances were received this week and exports continue to be filled.

**CHICAGO MERCANTILE EXCHANGE****BUTTER TRANSACTIONS ON FRIDAY, OCTOBER 17, 1997**

(CARLOT UNIT = 40,000 - 42,000 LBS.)

GRADE	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION - LST
AA	+.0800	\$1.3700 : SALE 10/17/97
A	+.0800	\$1.2900 : BID 10/17/97
B	+.0800	\$1.2900 : BID 10/17/97

SALES: 6 CARS GRADE AA: 2 @ \$1.3400,  
2 @ \$1.3500, 1 @ \$1.3550, 1 @ \$1.3700 (LST)

BIDS UNFILLED: 10 CARS GRADE AA: 1 @ \$1.3550,  
1 @ \$1.3500, 2 @ \$1.3400, 5 @ \$1.3000, 1 @ \$1.2900  
2 CARS GRADE A: 1 @ \$1.2850, 1 @ \$1.2900 (LST)

1 CAR GRADE B @ \$1.2900 (LST)

OFFERS UNCOVERED: NONE

CHEESE MARKETS**WISCONSIN ASSEMBLY POINTS**

Dollars per pound, standard moisture basis (37.8-39.0%), carlot/trucklot, F.O.B. plants or storage centers, prices include CCC purchase price whenever cheese is moving to CCC from the Midwest area.

CHEDDAR STYLES	OCTOBER 13 - 17, 1997
BARRELS*	\$1.3625 - 1.3750 (NOMINAL) (.0200) (.0125)
40# BLOCKS	\$1.4200 - 1.4275 (NOMINAL) (.0075)

( ) Change from previous week. \* If steel, barrel returned.

**CHEESE HIGHLIGHTS:** The cheese market is steady to firm. The block price at the Chicago Mercantile Exchange was .5 cent higher to \$1.3975 and barrels increased .75 cent to \$1.3625 in moderate trading. Current cheese demand is generally steady at best. Most buyers are trying to keep inventories at just good working levels. Cheese production is steady to lower as milk receipts generally decline seasonally. CCC cheese invitations for December are found on page 11 of this report.

**CHEESE TRANSACTIONS ON THURSDAY, OCTOBER 16, 1997**

(CARLOAD UNIT = 40,000-44,000 LBS.)

CHEDDAR STYLES	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION
BARRELS	+.0075	\$1.3625 : SALE 10/16/97
40# BLOCKS	+.0050	\$1.3975 : SALE 10/16/97

SALES: 10 CARS BARRELS: 2 @ \$1.3575, 4 @ \$1.3600,  
1 @ \$1.3625, 2 @ \$1.3600, 1 @ \$1.3625 (LST)

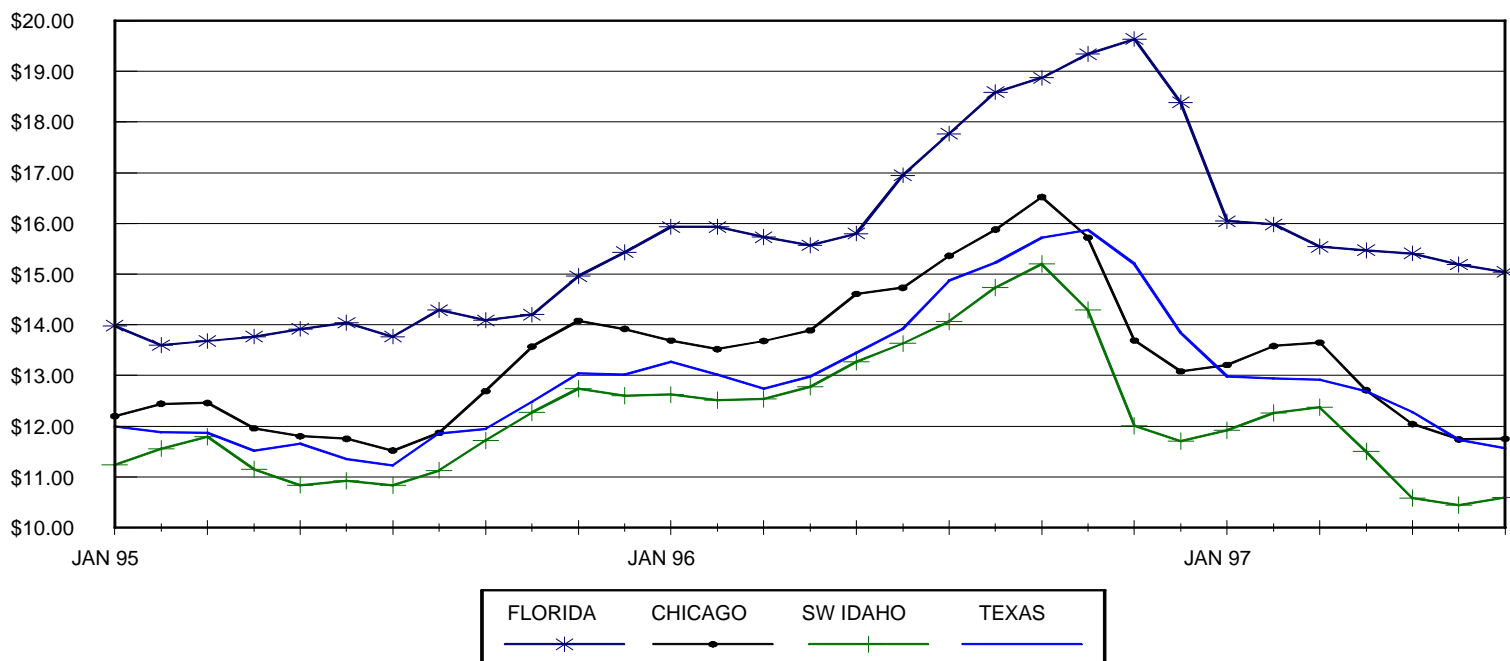
7 CARS 40# BLOCKS:  
5 @ \$1.3925, 1 @ \$1.3950, 1 @ \$1.3975 (LST)

BIDS UNFILLED: NONE

OFFERS UNCOVERED: 3 CARS BARRELS:  
1 @ \$1.3650, 1 @ \$1.3675, 1 @ \$1.3700

## MAILBOX PRICES - SELECTED ORDERS

PER CWT.



## PRINT BUTTER MARKETS - GRADE AA

## NORTHEAST

Prices are unchanged. This is the first time in five weeks that Grade AA butter prices have not increased. The market tone is still unsettled as there is butter in storage to meet most needs. However, fresh butter remains tight and demand for fresh butter is very good. Also, there is speculation that the current AA price is now high enough to allow owners to move it at a profit. A lot of butter was "put away" early in 1997 at \$1.1500 per pound. Also, the prices are now high enough to slow exports. Reports indicate that butter is very tight on the world market and prices are rising. Domestic demand is mostly for immediate needs or normal weekly volumes. Some holiday orders are being placed and delivered as Thanksgiving is only five weeks away. Retail movement is slow to fair as prices have increased. Food service orders are about steady.

WHOLESALE PRICES: MIN 25 BOXES  
DOLLARS PER POUND, DELIVERED EAST COAST CITIES

1/4 LB. PRINTS	: 1.5000-1.7475
1 LB. PRINTS	: 1.4150-1.5975
CHIPS/PATTIES	: 1.4775-1.6575
REDDIES	: 1.5525-1.7475
CONTINENTALS	: 1.6325-1.8075

## CENTRAL STATES PRINT BUTTER

Prices are unchanged for all print butter series following no changes in bulk prices at the CME. This marks the first time that the CME Grade AA market has not changed since August 15. The market tone remains unsettled with different opinions developing on price direction. Producers are most often able to fill contract orders with butter being bought to supplement any shortages. Production is trending slightly higher due, in part, to increasing fat levels of incoming milk. Butter stocks are light and mostly committed.

FOB CENTRAL STATES PLANTS: MIN 20,000 POUNDS, \$ PER POUND

1/4 LB. PRINTS	: 1.3900-1.7975
1 LB. PRINTS	: 1.3550-1.5175
CHIPS/PATTIES	: 1.3800-1.5900
REDDIES	: 1.4650-1.7000
CONTINENTALS	: 1.6200-1.8100

## WEST

For the first time in five weeks there were no price changes on print butter prices. Print demand is excellent for current needs. Contacts are unsure how much feature activity there will be this holiday season with the uncertainties concerning prices and availability. Western churning operations are continuing to get calls for both bulk and print butter from other areas of the country. Bulk, unsalted sales to fulfill export commitments are continuing. Some grumbling is taking place from exporters about how fast and far prices have firmed. Current butter offerings are short of full trade needs. Stocks are declining.

WHOLESALE SELLING PRICES: DELIVERED WESTERN CITIES  
150 - 1000 POUNDS, DOLLARS PER POUND

1/4 LB. PRINTS	: 1.5725-1.6200
1 LB. PRINTS	: 1.5025-1.5625
PATTIES	: 1.5450-1.7100
REDDIES	: 1.6700-1.6875

FOB CALIFORNIA PLANTS - GRADE AA  
100 CASES AND UP, DOLLARS PER POUND

1/4 LB. PRINTS	: 1.2875-1.3275
----------------	-----------------

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS IN  
THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
10/13/97	16,061	: 106,559
10/01/97	20,062	: 108,721
CHANGE	-4,001	: -2,162
% CHANGE	-20	: -2

## NASS CHEDDAR CHEESE PRICE SURVEY

WEEK ENDING	40# BLOCKS		640# BLOCKS		BARRELS (adjusted to 39% moisture)		
	MN/WI	WEST	U.S.	U.S.	MN/WI	OTH STATES	U.S.
OCTOBER 10	1,596,960	3,757,348	5,561,961	1,049,098	3,198,714	5,704,523	8,903,237

Further data may be found on the Internet at: <http://usda.mannlib.cornell.edu/reports/nassr/price/cheddar/>

## CHEESE MARKETS

## NORTHEAST

Process prices are generally 1 1/4 cents higher, unchanged on most natural varieties. The market tone is mixed, steady on natural and firm on process. Production levels are about steady as surplus milk volumes are seasonally light. Producers' stocks of cheese are about adequate for current needs. Demand is fair to occasionally improved. Retail sales, following seasonal patterns, are up slightly. Food service orders are mostly steady, but fast food promotions are clearing increasing volumes of process cheese.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.4100-1.8750
Cheddar Single Daisies	:	1.3800-1.8800
Cheddar 40# Block	:	1.5300-1.6800
Process 5# Loaf	:	1.5650-1.7150
Process 5# Sliced	:	1.5850-1.7500
Muenster	:	1.5725-1.9675
Grade A Swiss Cuts 10 - 14#	:	2.2500-2.5050

## MIDWEST

The cheese market is steady on natural, steady to somewhat unsettled on barrels. At the Chicago Mercantile Exchange on October 9, the price of blocks was unchanged at \$1.3925 for the 6th consecutive week, but barrels increased 1.25 cents to \$1.3550 per pound. The barrel increase reduced the spread between blocks and barrels to 3.75 cents, the narrowest since early June. Barrels have increased for 2 consecutive weeks at the Mercantile, compared to the start of sharp barrel price declines around this period last year. Natural cuts are generally steady at moderate to good levels, depending on variety. Buyers are trying to maintain adequate short term supplies at levels sufficient to meet current orders. Aged cheddar interest is steady but often at lower levels than usually associated with fall. Shredding remains active. Process sales are steady at best. Mozzarella sales remain generally good. Cheese production continues to reflect milk intakes, which are steady to slightly lower. Fat and protein tests on incoming milk receipts are steady to slightly higher.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.4975-1.6475
Brick And/Or Muenster 5#	:	1.6600-1.8500
Cheddar 40# Block	:	1.6425-1.9150
Monterey Jack 10#	:	1.8425-1.9150
Blue 5#	:	1.9950-2.2000
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7100-1.9150
Grade A Swiss Cuts 6 - 9#	:	2.1000-2.4850

## WEST

Some additional strength was noted on process cheese after the last increase on barrels at the CME on October 9. Barrel and process activity is generally rated as fair at best. Current production is moving well, but older product is still readily available and some price discounting is evident. Swiss prices are steady and the market is expected to be very good through the fall season. Natural sales remain in good balance with production. Current stocks are clearing very well. Some product with a little age is in inventory, but no one seems to be really concerned. Overall production is declining seasonally.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.4975-1.7975
Cheddar 40# Block	:	1.5750-1.7300
Cheddar 10# Cuts	:	1.7500-1.9150
Monterey Jack 10#	:	1.7150-1.8775
Grade A Swiss Cuts 6 - 9#	:	2.3375-2.5600

## FOREIGN TYPE

Prices and the market tone are unchanged. Demand for imported styles is starting to improve seasonally, but as retail prices increase, there is more interest in some of the domestically made styles. Stocks of most types are adequate for needs.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
	:	:
Roquefort	: 5.5000-6.8900	: -0-
Blue	: 2.6400-3.1400	: 1.7275-2.3375
Gorgonzola	: 3.2400-5.9400	: 2.3925-2.4900
Parmesan (Italy)	: TFEWR	: 3.1375-3.1750
Romano (Italy)	: 2.0900-2.9000	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.4000-1.9075
Romano (Cows Milk)	: -0-	: 2.9250-3.1775
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.1200	: -0-
Swiss Cuts Switzerland	: -0-	: 2.2500-2.5050
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

\* = Price change.

## FLUID MILK AND CREAM

## E A S T

Northeastern Milk Market Administrators announce September 1997 uniform (blend) prices: Federal Order (F.O.) 1 is \$12.54; F.O. 2, \$12.59; F.O. 4, \$12.99; F.O. 36, \$12.69; and Western NY Milk Market Area, \$12.57. Milk production is mostly steady in the more northern areas; steady to higher in the Southeast where milder/colder temperatures are giving a boost to milk output. Florida handlers have more local milk and they have cut back on late-week imports. For the week, they did import 147 loads, down about 50 loads from last week. Elsewhere in the Southeast, milk volumes are very well balanced and less milk was imported from the Upper Midwest. In the Northeast, milk production and volumes are steady. Bottled milk demand is reported as flat. Surplus milk volumes moving through manufacturing facilities are still quite light. Little or no milk is being processed in Southeastern plants, but moderate volumes are moving through Northern operations. The condensed skim market is steady to slower. Prices are often higher, particularly at the low end of the range. Demand for wet solids is sluggish as users are switching or have switched back to NDM. Contacts expect this trend to continue because next month's price for condensed skim will probably increase again. The fluid cream market is mixed. Prices are often lower because of drops in multiples used and a sometimes slower demand. Suppliers report that cream offerings are tight early in the week, but become readily available late in the week. This often accounts for the wide range in prices/multiples. Ice cream production is just moderate. Some operations have cut back on the number of lines being run while others are gearing up and packaging holiday items. Cream cheese producers are still taking quite a bit and are expected to maintain heavy output for the remainder of the year. Churning activity is light to moderate.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	-	1.6940 - 1.9118	
Delivered Equivalent Atlanta	-	1.7182 - 1.9118	M 1.7615-1.8634
F.O.B. Producing Plants: Upper Midwest	-	1.7545 - 1.8634	

## PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. Producing Plants: Northeast	-	1.0050 - 1.0550
------------------------------------	---	-----------------

## M I D W E S T

## WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
OCTOBER 10 - 16, 1997	27
PREVIOUS WEEK	44
COMPARABLE WEEK IN 1996	26

DESTINATIONS: FLORIDA 13, TENNESSEE 14

Class I demand improved in some major metro areas within the region, bolstered by retail feature activity. Some handlers/bottlers were again importing milk from other parts of the upper Midwest to bolster local offerings. Another 14 loads of Wisconsin milk were shipped to Ohio. Besides the milk shipments reported, about 25 additional loads of Wisconsin milk are "direct shipped" and pooled under a Southern Federal Order, down from the approximately 40 loads in past weeks. Out of area shipments to the South are slowing seasonally. Manufacturing milk interest is mixed, slower from some regular type cheese producers, though fairly steady from specialty type producers. On a very limited test, manufacturing milk prices were about 50 cents below recent weeks, at least on the upper end of the range, to a maximum of about \$3.00 over class. Reported milk components are mixed, from slightly higher to lower. Cream prices are fairly steady. The recent run up in cream prices has ice cream

manufacturers producing more lower fat items as a way to maintain seasonally active production schedules at current prices. Milk receipts are steady to generally lower. Farm sellouts continue seasonally active. The initial September estimated milk production in selected Midwestern states compared with September 1996 is: Wisconsin 1.86 billion pounds, up 62 million pounds (3.4%); Minnesota 716 million pounds, down 16 million pounds (2.2%); Michigan 435 million pounds, up 2 million pounds (0.5%), and Iowa 330 million pounds, an increase of 17 million pounds (5.4%). Until Wednesday, (10/15), many areas of the upper tier of states had avoided a season ending killing frost. Good progress has been made on silo/silobag filling, soybean harvest, and even some, mainly high moisture, corn picked or shelled. Dry conditions have allowed most farmers to get in, harvest, and often till, many low lying areas.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	OCT 10 - 15	PREVIOUS YEAR
SLAUGHTER COWS	\$ 33.50- 39.00	\$ 29.50- 35.00
REPLACEMENT HEIFER CALVES	\$100.00-130.00	TFEWR

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	OCT 10 - 15	PREVIOUS YEAR
SLAUGHTER COWS	\$ 33.50- 41.00	\$ 32.00- 37.00

## W E S T

The Western August milk production numbers have been generally revised lower while September is mixed. Third quarter U.S. output is 3.5% higher than the same quarter in 1996. Cumulative output for the first nine months of the year compared to the same period last year is up 1.9%. Third quarter 1997 output compared to last year for selected Western states is as follows: Arizona up 8.6%, California up 8.9%, Colorado up 2.9%, New Mexico up 8.9%, Oregon up 2.0%, Utah down 0.7%, and Washington up 1.2%. Weather conditions continue to impact milk production in the Southwest. In southern California, hotter weather is beginning to impact milk output, but not to any great extent yet. Milder temperatures in Arizona and New Mexico this week were providing relief to cows and spurring additional milk output. The extent of Arizona's hot/humid weather was realized in September's milk production report being even with 1996's level. Cream movements out of California are lighter, mainly due to increased prices. Cream is welcomed at butter operations to help supplement contract and spot needs. Feed harvesting conditions remain ideal in California and crop conditions are good. Quality of feed crops is stated as good, but prices are high. The current rainy period has ended in the Pacific Northwest with temperatures warming. The corn silage harvest is near completion, but what is left in the fields may be a real struggle to finish because of current wet conditions. Producers are expecting that they might see a positive production response from their cows with this good quality feed available. Good quality hay continues to be a major problem. There isn't much available and it is very expensive. Exporters continue to buy heavy volumes of hay at ever higher prices. It is common to see hay leaving Washington for export from the barns at prices near \$160/ton. Milk production continues to be a concern, but the solids content of the milk may prove to be more of an issue this winter. Cows are not able to put many solids into the milk from the hay they are being fed. Most of the cropping season has come to an end in the northern Mountain States. Some alfalfa is being green chopped for immediate feeding to get some additional forage supplies into the milking herd. Prices for this commodity are good in relation to stored hay. Snow has been on some of the benches above the valley floors for a few days this week.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 10/16/97 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL**

The majority of prices remain the same with continued fluctuations noted on the top end of the range. The market tone remains at weak levels. Offerings are available from most producers in the region. Some DEIP orders are being filled from the region. High heat NDM is noted as being in a tighter position than low heat. Production is seasonally low, but active at many locations. NDM is being offered from resellers and producers in other regions. Stocks are light to moderate and remain in excess of current light needs.

Includes EXTRA GRADE and GRADE A, all heat treatments

NONFAT DRY MILK: 1.0400 - 1.1000 MOSTLY: 1.0500 - 1.0600

**DRY BUTTERMILK - CENTRAL**

Buttermilk prices continue to trend lower in limited trading. The market tone remains weak. Additional pressure to move buttermilk has developed now that seasonal ice cream demand has passed. Increases from seasonal baking accounts are slow to develop. Contract loads are moving, but spot interest is very light. Stocks are light to moderate and remain in excess of current needs.

BUTTERMILK: .9800 - 1.0500

**DRY WHEY - CENTRAL**

Prices for dry whey are higher, but the magnitude of increases is not as aggressive as in recent weeks. While whey prices pass into record territory, the market tone is beginning to be pressured. Starting late last week, both producer and resale offerings began to increase. Resale offering prices have declined from in the upper 30's into the lower 30's as the week progressed. Additional loads are being shopped around. Demand is mainly for fill-in needs only. Several buyers are on the sidelines. Some are waiting for lower prices; others are using replacement products like WPC, lactose, whey permeate, delactose, or whey replacers in formulations. Production is seasonally flat to slightly higher. Fat and solids level in milk are noted to be increasing. Stocks remain limited at the plant level.

NONHYGROSCOPIC: .3075 - .3500 MOSTLY: .3075 - .3200

**ANIMAL FEED WHEY - CENTRAL**

Milk replacer and roller ground whey prices are higher and remain nominal in limited trading. The limited offerings are readily purchased. Demand is somewhat unsettled as more plant and resale offerings of edible whey are finding their way on the market. Animal feed manufacturers are limiting purchases to fill-in needs only and are reluctant to make any future purchases. Delactose prices are unchanged and demand is light to fair. Standard prices are too few to report.

MILK REPLACER: .2875 - .3100

STANDARD: TFEWR

ROLLER GROUND: .3100 - .3375

DELACTOSE (Min. 20% protein): .3350 - .3575

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged following several weeks of price adjustments. Quarterly contract prices are mostly in place at levels from 1 to 3 cents lower than the third quarter. Buying interest is fair to good. Spot interest remains sporadic with buyers continuing to look for replacements for relatively high-priced whey. Offerings are still available from many producers. Stocks are light to moderate.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1800 - .2600 MOSTLY: .2000 - .2200

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

WPC prices are unchanged and the market tone is unsettled. Buying interest continues to receive a boost from buyers looking for replacements for edible whey. Offerings are ample to fill all needs. Producers are able to keep prices at current levels because of the recent pull of the edible whey market. Production is at seasonally low levels, but increasing at a few locations. Recently, excess condensed whey has moved to dry whey facilities, if that option is viable. Stocks are adequate.

EXTRA GRADE 34% PROTEIN: .5600 - .6050 MOSTLY: .5850 - .5950

**NONFAT DRY MILK - WEST**

Prices are mostly steady with some slight price increases noted within the range. DEIP orders are fair to good, keeping current stocks in better balance. During the period October 1 - 10, CCC purchased 1,395,356 pounds of NDM under the support program. No additional purchases have occurred this week; the only activity was a cancellation for 391,211 pounds. Production is fair to good seasonally with varying levels noted in different areas. Some producers are in a better inventory position and are committed nearby. Others have stocks to move.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0300 - 1.0650 MOSTLY: 1.0300 - 1.0500

HIGH HEAT: 1.0550 - 1.0800

**DRY BUTTERMILK - WEST**

Western buttermilk prices are again lower. Despite producers efforts to stimulate interest by lowering prices, few additional spot loads are moving. Production is mixed, but indicated to be increasing seasonally. Stocks are available from several producers in the region and are in excess of current buyer needs.

BUTTERMILK: .9500 - 1.0150 MOSTLY: .9600 - .9900

**DRY WHEY - WEST**

Western whey prices continue to show some strength, but it is not as across the board as the past few weeks. Some Western plants are not eager to push the market much higher with the fear that they will lose out on their ongoing export trade that they have developed. They believe that this run up in prices may be short lived and they don't want to forsake long term sales just to have some short term gains. Offerings remain light in the region. Production is trending lower seasonally. Resale offerings are increasing.

NONHYGROSCOPIC: .2400 - .2975 MOSTLY: .2525 - .2800

**CALIFORNIA MANUFACTURING PLANTS**

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended October 10, on powder sales of 12,112,545 pounds f.o.b. California manufacturing plants was \$1.0445 per pound. This compares to 10,695,233 pounds at \$1.0462 for the previous week ending October 03, 1997. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

**NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS**

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

**NONFAT DRY MILK - NORTHEAST AND SOUTHEAST**

Prices are steady to fractionally lower and the market tone remains weak. Production levels are mostly moderate, but still heavier than desired. Producer stocks are more than adequate to meet current needs. Demand is steady at relatively slow levels. To attract interest, some producers have lowered prices fractionally on large volume sales. Current demand is just barely clearing output. Domestic demand is mostly for immediate needs. Buyers see little chance of price increases for the rest of the year and are not inclined to make advance purchases. Some DEIP contracts are being filled which is helping ease the growing supply situation.

Includes EXTRA GRADE and GRADE A, all heat treatments

F.O.B. NORTHEAST:	1.0475 - 1.1400
DELVD SOUTHEAST:	1.0700 - 1.0825

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices and the market tone are unchanged. Production levels are up slightly as a little more cream is being churned. Producer stocks are closely balanced for the generally slow to fair spot demand.

F.O.B. NORTHEAST:	1.0300 - 1.0725
DELVD SOUTHEAST:	1.0625 - 1.0850

**DRY WHOLE MILK - NATIONAL**

Prices are steady and the market tone is unchanged. Production levels are steady to lighter. Plant stocks are closely balanced for needs. Domestic demand is mostly unchanged, but export interest (DEIP) is quite good. New DEIP bid acceptances continue. About 45% of the current program allocation (7,487 MT) for dry whole milk has been filled.

F.O.B. PRODUCING PLANT:	1.2800 - 1.3500
-------------------------	-----------------

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 1997 THROUGH OCTOBER 10, 1997  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	48,543	MT (107,017,898 LBS)
CHANGE	--	436	MT (961,206 LBS)
WHOLE MILK POWDER	--	3,324	MT (7,328,090 LBS)
CHANGE	--	250	MT (551,150 LBS)
CHEESE	--	794	MT (1,750,452 LBS)
CHANGE	--	76	MT (167,550 LBS)
BUTTERFAT	--	10,354	MT (22,826,428 LBS)
CHANGE	--	770	MT (1,697,542 LBS)

Allocations for the DEIP year beginning July 1, 1997 are:

Nonfat dry milk - 92,217 MT; Whole Milk Powder - 7,487 MT;  
Cheese - 3,510 MT; Butterfat - 34,232 MT.

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are higher and nominal. The market tone remains firm. However, contacts do report that "some of the edge" may be coming off the market. A little more product is being offered by resellers and this week's resale premiums are often 2-3 cents lower than last week. Producers' stocks are limited and most have nothing to offer for spot sale. Most dryers continue to ship only a fraction of committed volumes and others are struggling to meet commitments. Production levels are often lighter as milk volumes are seasonally lower. Demand for dry whey doesn't seem quite as urgent as last week. There were reports of resales above 40 cents, but those were rare and for last minute needs.

F.O.B. NORTHEAST:	EXTRA GRADE	.3075 - .3500
	USPH GRADE A	.3225 - .3550
DELVD SOUTHEAST:		.3550 - .3850

**ANIMAL FEED WHEY - NORTHEAST**

Prices remain too few to report. Production levels are light and offerings are tight. Spot demand is slow because of the current price for dry whey. Contracts are being filled, but spot purchases are infrequent.

F.O.B. NORTHEAST:	MILK REPLACER	TFEWR
-------------------	---------------	-------

**EVAPORATED MILK - NATIONAL**

Prices and the market tone remain unchanged. Production levels are steady to lighter as surplus milk supplies tighten slightly in many areas of the country. Plant stocks are adequate for current orders, but most producers are shipping increasing volumes to meet retail holiday promotions. The Kansas City Commodity office announced the issuance of EVD-1, invitation 380, inviting competitive offers to sell to CCC 1,909,440 pounds of evaporated milk for shipment in December 1997.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES

\$22.50 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

**CASEIN - NATIONAL**

No price changes are reported for either acid or rennet casein. The market tone for both is mostly steady. Offerings are in relatively good balance. Supplies are adequate for both types and production in Oceania is indicated to be developing nicely in the early season. Demand is mainly centered on contracts.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	2.2000 - 2.2500
ACID:	2.0000 - 2.1000

**MAILBOX MILK PRICES FOR SELECTED FEDERAL MILK ORDERS,  
JULY 1997, WITH COMPARISONS**

In July 1997, mailbox milk prices reported for selected Federal milk orders averaged \$11.71 per cwt., \$.18 less than the figure for the previous month. On a regional basis, the average prices and changes from the previous month were: Northeast, \$11.81, down \$.09; Southeast, \$13.08, down \$.44; Midwest, \$11.64, down \$.17; and West, \$11.08, down \$.17. Compared to July 1996, mailbox milk prices decreased \$3.23 per cwt. on the average. Regional changes from the previous year were: -\$3.06 in the Northeast, -\$3.23 in the Southeast, -\$3.34 in the Midwest, and -\$3.26 in the West. The average minimum blend price in July 1997 was \$3.38 below the price in the previous year.

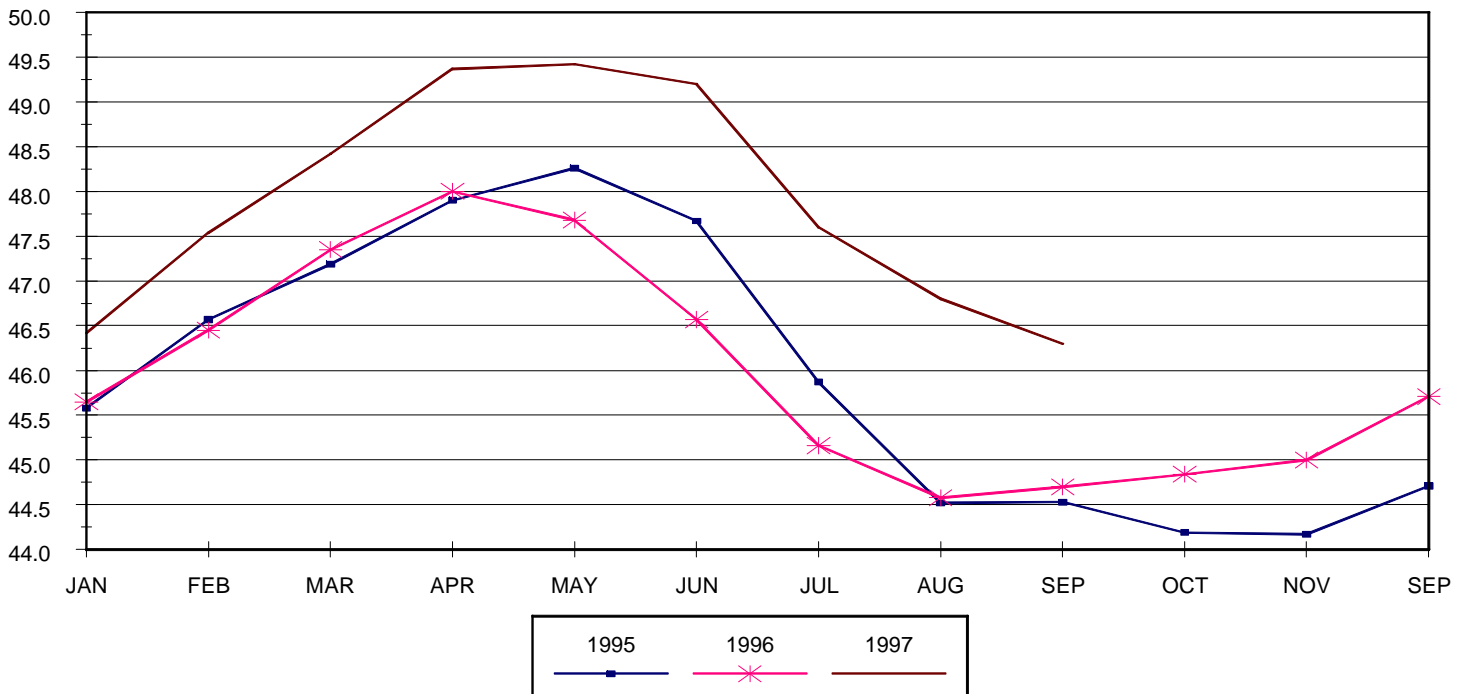
Federal milk order <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	July 1996	June 1997	July 1997
	<u>Dollars per hundredweight</u>		
New England	14.77	11.97	12.72 <u>3/</u>
New York-New Jersey	14.82	11.72	11.46
Middle Atlantic	15.07	12.20	11.71
Northeast Average <u>4/</u>	14.87	11.90*	11.81
Carolina	16.39	13.48	13.09
Tennessee Valley	15.73	12.91	12.43
Southeast	15.60	12.81	12.17
Florida <u>5/</u>	17.77	15.19	15.04
Southeast Average <u>4/</u>	16.31	13.52	13.08
Southern Michigan	14.69	12.17	11.83
Eastern Ohio-Western Pa.	14.74	11.94	11.42
Ohio Valley	14.79	12.14	11.51
Indiana	14.66	12.37	11.79
Chicago Regional	15.36	11.74	11.75
S. Illinois-E. Missouri	14.23	11.89	11.50
Louis.-Lex.-Evans.	15.20	12.65	11.94
Upper Midwest	15.09	11.49	11.53
Nebraska-Western Iowa	14.58	11.57	11.38
Iowa	14.88	11.67	11.44
Midwest Average <u>4/</u>	14.98	11.81	11.64
Texas	14.87	11.73	11.57
Southwest Plains	14.16	11.27	10.94
Eastern Colorado	14.41	11.19	11.12
S.W. Idaho-E. Oregon	14.07	10.44	10.59
Great Basin	13.52	10.56	10.53
New Mexico-West Texas	13.72	10.79	10.62
Pacific Northwest	14.59	11.64	11.42
West Average <u>4/</u>	14.34	11.25	11.08
All-Market Average <u>4/</u>	14.94	11.89*	11.71

\*Revised

1/ Federal milk orders for which information could be released. 2/ Net pay price received by dairy farmers marketing milk to handlers regulated under the Federal milk orders. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is reported at the market average butterfat test. Also, for some orders, price is a weighted average for all pricing zones in the order. 3/ Includes Northeast Dairy Compact Over Order Producer Price. 4/ Weighted average of the information for the orders listed in the region or for all selected orders combined. 5/ Weighted average of the information for the Upper Florida, Tampa Bay, and Southeastern Florida orders.

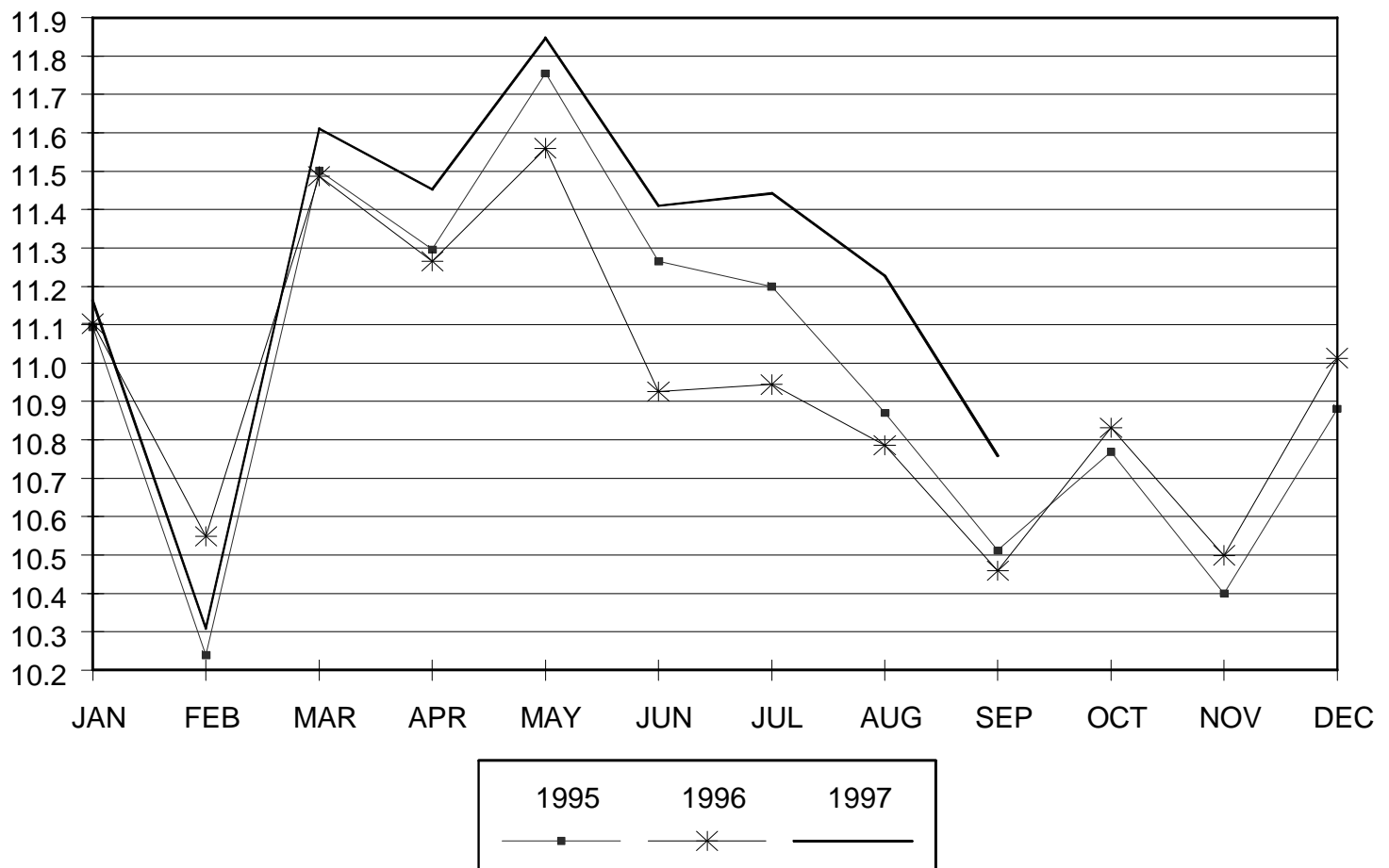
## DAILY AVERAGE MILK PRODUCTION - 20 MAJOR STATES

POUNDS



## MILK PRODUCTION - 20 MAJOR STATES

BILLION POUNDS



NASS DATA, GRAPH BY DAIRY MARKET NEWS  
 FEB 1996 CONTAINS 29 DAYS



## SEPTEMBER MILK PRODUCTION

Milk production in the 20 major states during September totaled 10.8 billion pounds, up 2.9 percent from production in these same states in September 1996. August revised production, at 11.2 billion pounds, was up 4.1 percent from August 1996. Production per cow in the 20 major states averaged 1,390 pounds for September, 48 pounds above September 1996. The number of cows on farms in the 20 major states was 7.74 million head, 54,000 head below September 1996 and 3,000 head below August 1997. The July-September quarterly production of milk for the U.S. was 39.0 billion pounds, up 3.5 percent from the July-September period in 1996. The average number of milk cows in the U.S. during July-September quarter was 9.25 million head, 91,000 head less than the same period last year.

STATE	MILK COWS <u>1/</u> <u>2/</u>				MILK PRODUCTION <u>1/</u> <u>3/</u>			
	SEPTEMBER		JULY-SEPTEMBER		SEPTEMBER		JULY-SEPTEMBER	
	1996	1997	1996	1997	1997	% CHANGE FROM 1996	1997	% CHANGE FROM 1996
	THOUSANDS				MILLION LBS.	PERCENT	MILLION LBS.	PERCENT
AL	—	—	31	30	—	—	93	4.5
AK	--	--	0.8	0.9	--	--	3.96	11.5
AZ	122	126	122	127	180	0.0	578	8.6
AR	--	--	56	55	—	—	160	-1.2
CA	1,267	1,308	1,265	1,302	2,250	5.4	7,018	8.9
CO	--	--	83	85	--	--	423	2.9
CT	--	--	29	30	—	—	125	5.9
DE	--	--	9.5	11.2	—	—	43.7	35.7
FL	155	160	156	160	166	2.5	521	2.6
GA	--	--	97	96	—	—	326	1.2
HI	--	--	9.2	8.9	—	—	30.7	-3.8
ID	263	280	260	276	448	9.8	1,378	9.4
IL	153	146	153	146	185	-1.1	572	1.1
IN	140	140	140	140	179	2.3	547	3.4
IA	250	245	250	245	330	5.4	1,010	5.8
KS	--	--	80	81	—	—	315	12.5
KY	151	144	151	145	146	0.0	442	1.1
LA	--	--	78	76	—	—	175	-1.7
ME	--	--	40	40	—	—	170	4.3
MD	--	--	85	86	--	--	335	4.0
MA	--	--	27	26	--	--	105	-2.8
MI	317	304	320	307	435	0.5	1,362	1.9
MN	600	580	600	583	716	-2.2	2,273	-0.6
MS	--	--	50	47	—	—	140	-1.4
MO	175	172	176	172	178	-3.3	555	-2.1
MT	--	--	20	19	--	--	76	-2.6
NE	--	--	69	70	—	—	275	6.6
NV	--	--	25	26	--	--	117	-3.3
NH	--	--	19	19	—	—	81	3.8
NJ	--	--	22	21	--	--	70	-1.4
NM	195	205	196	203	324	10.6	1,001	8.9
NY	703	697	703	698	927	1.4	2,902	2.0
NC	--	--	80	75	—	—	295	-1.0
ND	--	--	62	53	—	—	172	-13.1
OH	285	278	285	280	350	3.2	1,085	3.8
OK	--	--	96	96	—	—	310	3.3
OR	--	--	93	92	--	--	418	2.0
PA	642	639	642	639	863	3.0	2,655	2.4
RI	--	--	1.9	2	--	--	7.6	2.7
SC	--	--	26	26	--	--	85	2.4
SD	--	--	112	104	—	—	350	-5.4
TN	--	--	115	112	—	—	375	1.9
TX	395	388	397	388	407	-5.6	1,264	-5.5
UT	--	--	92	91	—	—	398	-0.7
VT	156	156	157	157	215	3.9	663	3.1
VA	126	120	126	121	149	3.5	449	3.9
WA	265	263	264	263	447	2.3	1,367	1.2
WV	--	--	20	18	—	—	66	10.0
WI	1,435	1,390	1,441	1,391	1,863	3.4	5,786	3.3
WY	--	--	6	6	—	—	20.4	-2.9
22 STATE TOTAL	7,795	7,741	—	--	10,758	2.9	--	--
U.S. <u>4/</u> <u>5/</u>	--	--	9,338	9,247	—	—	38,989	3.5

1/ Preliminary. 2/ Includes dry cows, excludes heifers not yet fresh. 3/ Excludes milk sucked by calves. 4/ Includes states for which individual monthly estimates are not available. 5/ Milk cows will not add due to rounding.

SOURCE: "Milk Production," Da 1-1 (10-97), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

## AUGUST MILK SALES HIGHLIGHTS

During August, sales of fluid milk products in comparable Federal milk order marketing areas and California were 0.5 percent above the previous year and 1.7 percent above July 1997 on an adjusted daily average basis. Sales of whole milk items were unchanged from the previous year; sales of lowfat and skim milk items were 0.6 percent above the previous year. Total fluid milk sales were lower in the Northeast region, unchanged in the Southwest region, and higher in all other regions.

**SUMMARY OF PACKAGED SALES OF WHOLE MILK ITEMS, LOWFAT AND SKIM MILK ITEMS, AND TOTAL FLUID MILK ITEMS IN FEDERAL MILK ORDER MARKETING AREAS AND CALIFORNIA, GROUPED BY REGION, AUGUST 1997, WITH COMPARISONS 1/**

Region 4/	Whole Milk Items 2/				Lowfat and Skim Milk Items 3/				Total Fluid Items			
	Sales		Change from:		Sales		Change from:		Sales		Change from:	
	Aug	Year to date	Prev. year 5/	Year to date 5/	Aug	Year to date	Prev. year 5/	Year to date 5/	Aug	Year to date	Prev. year 5/	Year to date 5/
	Mil. lbs.		Percent		Mil. lbs.		Percent		Mil. lbs.		Percent	
Northeast	344	2,768	-1.8	-2.2	430	3,544	1.2	-0.4	774	6,312	-0.1	-1.2
Southeastern	362	2,847	0.3	0.9	467	3,782	0.1	0.5	829	6,629	0.3	0.7
Midwest	265	2,054	1.4	-1.0	910	7,366	-0.3	-0.1	1,175	9,420	0.2	-0.3
Southwest	171	1,336	-0.9	-1.9	207	1,609	0.7	-0.1	378	2,945	0	-0.9
Far West	345	2,655	0.8	-1.5	666	5,371	1.9	1.4	1,011	8,026	1.6	0.5
All Areas Combined	1,486	11,660	0	-1.1	2,681	21,673	0.6	0.3	4,167	33,333	0.5	-0.1

1/ These figures are representative of the consumption of fluid milk products in comparable Federal milk order marketing areas and California, and represents approximately 91 percent of total fluid milk sales in the U.S. 2/ Whole milk items include plain, flavored, and miscellaneous whole milk products. 3/ Lowfat and skim milk items include plain, solids added, flavored, and miscellaneous lowfat and skim milk products, and buttermilk. 4/ For the marketing areas included in each region, see DMN Vol. 64, report #13. Far West includes California. 5/ Monthly and year-to-date percent changes are based on sales figures adjusted for calendar composition. See DMN Vol. 59, report #13.

**PACKAGED SALES OF FLUID MILK PRODUCTS IN ALL MARKETING AREAS DEFINED BY FEDERAL MILK ORDERS AND CALIFORNIA, JULY 1997, WITH COMPARISONS 1/**

Product Name	Sales	Change from:	
		Previous Year	Year to Date
	Mil.lbs	Percent	
Whole milk 2/	1,466	-0.5	-1.2
2% Lowfat Milk	1,329	-2.5	-2.5
1% Lowfat Milk 3/	493	1.3	4.3
Skim Milk	686	3.3	3.4
Buttermilk	51	-4.4	-3.4
Total Fluid Milk Products 4/	4,039	-0.3	-0.2

1/ These sales volumes and percent changes include preliminary data for the New York-New Jersey milk order marketing area and the California State milk order. However, data for the Black Hills market, which was terminated October 1, 1996, are excluded. Monthly and year-to-date percent changes are based on sales figures adjusted for calendar composition.

2/ Includes flavored whole milk. 3/ Includes flavored lowfat and skim milk. 4/ Includes miscellaneous products.

**SOURCE:** Monthly summaries of *Federal Milk Order Market Statistics*, AMS, USDA, and *California Dairy Information Bulletin*, California Agricultural Statistics Service and Milk Stabilization Branch.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF OCTOBER 13 - 17, 1997			CUMULATIVE TOTALS			UNCOMMITTED INVENTORIES		
	TOTAL	CONTRACT	ADJUSTED	SINCE	SAME PERIOD	PERIOD ENDING	SAME PERIOD		
	PURCHASES	ADJUSTMENTS	PURCHASES	10/01/97	LAST YEAR	10/10/97	LAST YEAR		
<b>BUTTER</b>									
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHEESE</b>									
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>NONFAT DRY MILK</b>									
Nonfortified	-0-	391,211	391,211	1,004,145	-0-	-0-	-0-	-0-	-0-
Fortified	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	391,211	391,211	1,004,145	-0-	-0-	-0-	-0-	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**	MILKFAT*	SKIM**
	BASIS	SOLIDS	BASIS	SOLIDS
WEEK OF OCTOBER 13 - 17, 1997 =	-0.1	-4.6	COMPARABLE WEEK IN 1996 =	0.0
CUMULATIVE SINCE OCTOBER 1, 1997 =	0.2	11.7	CUMULATIVE SAME PERIOD LAST YEAR =	0.0
CUMULATIVE JANUARY 1 - OCTOBER 17, 1997 =	24.8	402.1	COMPARABLE CALENDAR YEAR 1996 =	0.0

\* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

\*\*Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES SINCE 10/1/97 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
REGION	1997/98	1996/97	1997/98	1996/97	1997/98	1996/97	1997/98	1996/97
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0
WEST	-0-	-0-	-0-	-0-	1,004,145	-0-	100.0	0.0
EAST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0
<b>TOTAL</b>	-0-	-0-	-0-	-0-	1,004,145	-0-	100.0	0.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1997MANUFACTURING MILK: Average Test 3.67% - \$10.20 per cwt.; 3.5% - \$10.10DOLLARS PER POUNDBUTTER: Bulk \$.6500; 1# Prints \$.6800CHEESE: 40 & 60# Blocks \$1.1300; 500# Barrels \$1.1000; Process American 5# \$1.1825; Process American 2# \$1.2225NONFAT DRY MILK: Nonfortified \$1.0470; Fortified \$1.0570; Instant \$1.2045Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 09/27/97 & Comparable Week 1996 (1/ 2/)

Regions*											: U.S. TOTAL		: % DAIRY OF ALL		
											: WEEK	: SINCE JAN 1	: WEEK	: SINCE JAN 1	
1997-Dairy cows	HD (000)	: 0.4	1.6	---	14.9	21.3	2.9	3.5	1.1	9.2	2.9	57.8	2,139.5	47.7	46.0
1996-Dairy cows	HD (000)	: 0.4	1.4	---	13.6	23.9	2.6	4.9	1.5	8.8	2.5	59.5	2,204.9	43.7	43.4
1997-All cows	HD (000)	: 0.4	1.7	---	27.4	29.8	16.5	19.3	8.1	11.4	6.7	121.3	4,652.9		
1996-All cows	HD (000)	: 0.4	1.5	---	29.0	31.8	21.6	22.4	10.3	12.2	7.1	136.2	5,074.8	**REGION 3 & 4 COMBINED**	

1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CCC MARKET PRICE INVITATIONS (POUNDS) 10/10/97CHEESE DECEMBER DELIVERY

PROCESS OFFERS ARE DUE OCT. 21. PUBLIC RELEASE OF AWARDS WILL BE OCT. 24 AT 4:00 P.M.(CST).

2# LOAVES	871,200
5# LOAVES	1,425,600
SLICED	1,900,800
SHREDDED	230,400
<b>MOZZARELLA</b>	
MOZZARELLA	564,480
LITE	241,920
LITE, SHREDDED	443,520
<b>NATURAL AMERICAN</b>	
BLOCKS	79,900
CUTS	39,950
SHREDDED	38,400
REDUCED FAT - BLOCKS	39,950
REDUCED FAT - SHREDDED	153,600

CUMULATIVE TOTAL CHEESE PURCHASES SINCE 10/1/97 = 7,280,542

CUMULATIVE TOTAL NDM PURCHASES SINCE 10/1/97 = 85,979

BASIC FORMULA PRICE (BFP), MAY 1995\* TO DATE & HISTORIC M-W (3.5% BF, \$/CWT.)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
1994	12.41	12.41	12.77	12.99	11.51	11.25	11.41	11.73	12.04	12.29	11.86	11.38
1995	11.35	11.79	11.89	11.16	*11.12	11.42	11.23	11.55	12.08	12.61	12.87	12.91
1996	12.73	12.59	12.70	13.09	13.77	13.92	14.49	14.94	15.37	14.13	11.61	11.34
1997	11.94	12.46	12.49	11.44	10.70	10.74	10.86	12.07	12.79			